



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

MEMORANDUM

TO: Mitch Gillespie, Brad Ives, Mary Penny Thompson, Lacy Presnell, Neal Robbins, Lori Jones, Michael Ellison, Michael Bryant, Rod Davis and Joe Harwood

FROM: John E. Skvarla, III *JES*

DATE: February 28, 2013

RE: Recusal and Information Blocking Procedures for Environmental Mitigation and Restoration Project Contracts

As you know, since becoming Secretary of North Carolina Department of Environment and Natural Resources ("DENR") on January 7, 2013, I have not reviewed proposals or bids, and I have not participated in any decision to award environmental mitigation and restoration contracts by the Ecosystems Enhancement Program ("EEP") of DENR ("mitigation contracts"). I have established procedures in order to avoid potential conflicts of interests, or the appearance of a conflict of interest, arising from my affiliation and previous employment with Restoration Systems, LLC, which entered into mitigation contracts with EEP before I became Secretary and may submit bids for future projects.

This memorandum outlines procedures which I have implemented to recuse myself from decisions involved in awarding EEP mitigation contracts and the supervision and administration of those contracts. In addition, I am implementing certain information blocking procedures, so that I will not receive information concerning mitigation contractors doing business with EEP while serving as Secretary.

The following procedures and directives have been established and implemented:

- I. I am recusing myself from all matters, activities, and communications related to EEP mitigation contract decisions. I will not participate in decisions to award mitigation contracts or the supervision of those contracts. I will take no action with respect to mitigation contracts, including the preparation of requests for proposals, the review and evaluation of bids, decisions to award contracts, or the evaluation of or payments to mitigation contractors.

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2. All EEP and DENR employees are directed to fulfill their duties and responsibilities regarding mitigation contracts in a fair and impartial manner, just as they would have in the normal course of their employment without regard to my affiliation and previous employment with Restoration Systems, LLC, or the recusal and information blocking procedures outlined in this memorandum.
3. All duties and responsibilities of the Secretary of DENR in connection with EEP mitigation contracts are delegated to Mitch Gillespie, Assistant Secretary.
4. No information, written or oral, concerning EEP mitigation contracts, including transactions and communications between EEP and DENR employees and employees and representatives of Restoration Systems, LLC or any other mitigation contractor, regarding proposals, bids, and mitigation contracts, shall be shared or discussed with me.
5. The identities of all EEP mitigation contract bidders and bidders to whom mitigation contracts are awarded shall not be communicated or disclosed to me.
6. Financial information regarding mitigation contracts, which do not disclose the identity of the contractor, may be provided to me in reports and financial documents. All reports and written documents, containing the name or other information identifying the parties to whom mitigation contract have been awarded, shall be redacted in order to remove contractor names and other identifying information before the document or report is provided to me.
7. Questions concerning the implementation or interpretation of this memorandum shall be directed to DENR's General Counsel, Lacy Presnell, and not discussed with me.